

BYLAWS

OF

THE COLINGTON POINTE HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is the COLINGTON POINTE HOMEOWNERS' ASSOCIATION, INC., a non-profit corporation under the laws of North Carolina, hereinafter referred to as the "Association". The mailing office of the Association shall be located at _____, Atlantic Township, Dare County, NC _____, but meetings may be held at such places within the State of North Carolina, as may be designated by the Board. The registered office of the Association shall be at such place as the Board of Directors shall designate.

ARTICLE II

DEFINITIONS

The terms used in these Bylaws shall have the same meaning as in the Declaration of Covenants, Conditions and Restrictions made by Colington Pointe, LLC for the Colington Pointe Development (hereinafter "Declaration") as they may be amended from time to time, unless specifically indicated to the contrary.

ARTICLE III

MEMBERSHIP

Section One: Membership. Every person or entity who is an Owner of any Unit shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit. All Members shall have rights and duties as specified in the Declaration, Articles of Incorporation and Bylaws of the Association. Ownership of a Unit shall be the sole qualification for membership.

Section Two: Suspension of Membership. During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and rights to use recreational facilities of such Member may be suspended by the Board of Directors until such assessment has been paid. Member's rights to use recreational facilities may also be suspended, after notice and hearing, for a period not to exceed 30 days, for violation of any rules and regulations established by the Board of Directors.

ARTICLE IV

PROPERTY RIGHTS. RIGHTS OF ENJOYMENT

Section One. Each Member shall be entitled to the use and enjoyment of the Common Areas and facilities as provided in the Declaration. Any Member may delegate his rights of enjoyment of the Common Areas and facilities only to the members of his family residing in the Owner's household, or to his tenants who reside in his Unit or Units. Such Member shall notify the secretary in writing of the name of any such delegee. The rights and privileges of such delegees are subject to suspension to the same extent as a Member.

Section Two. Each Member who is an Owner of a Multi-Family or Waterfront Unit shall be entitled to the use and enjoyment of the Limited Common Area which forms the exterior of the Building in which his Unit is contained in common with the other Owners of Dwellings within the same Building, as provided in the Declaration. Any Member may delegate his rights of enjoyment of the Limited Common Area only to the members of his family residing in the Owner's household, or to his tenants who reside in his Unit or Units. Such Member shall notify the secretary in writing of the name of any such delegee. The rights and privileges of such delegees are subject to suspension to the same extent as a Member.

Section Three. Each Member who is an Owner of a Single-Family Unit shall be entitled to the exclusive use and enjoyment of the Limited Common Area contiguous his Single-Family Building. Any Member may delegate his rights of enjoyment of the Limited Common Area only to the members of his family residing in the Owner's household, or to his tenants who reside in his Unit or Units. Such Member shall notify the secretary in writing of the name of any such delegee. The rights and privileges of such delegees are subject to suspension to the same extent as a Member.

Section Four. Each Member who is an Owner of a Dwelling contained within a Multi-Family Building shall be entitled to the exclusive use and enjoyment of the Exclusive Limited Common Area contiguous or affixed to the portion of the Building containing his Dwelling as provided in the Declaration. Any Member may delegate his rights of enjoyment of the Exclusive Limited Common Area only to the members of his family residing in the Owner's household, or to his tenants who reside in his Unit or Units. Such Member shall notify the secretary in writing of the name of any such delegee. The rights and privileges of such delegees are subject to suspension to the same extent as a Member.

Section Five. Each Member who is an Owner of a Dwelling contained within a Waterfront Building shall be entitled to the exclusive use and enjoyment of the Exclusive Limited Common Area contiguous or affixed or assigned to the portion of the Building containing his Dwelling as provided in the Declaration. Any Member may delegate his

rights of enjoyment of the Exclusive Limited Common Area only to the members of his family residing in the Owner's household, or to his tenants who reside in his Unit or Units. Such Member shall notify the secretary in writing of the name of any such delegee. The rights and privileges of such delegees are subject to suspension to the same extent as a Member.

Section Six. Each Member who is an Owner of a Single-Family Unit shall be entitled to the exclusive use and enjoyment of the Exclusive Limited Common Area contiguous his Single-Family Building. Any Member may delegate his rights of enjoyment of the Exclusive Limited Common Area only to the members of his family residing in the Owner's household, or to his tenants who reside in his Unit or Units. Such Member shall notify the secretary in writing of the name of any such delegee. The rights and privileges of such delegees are subject to suspension to the same extent as a Member

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section One. Number. The affairs of this Association shall be managed by a board of directors (the "Board"). Prior to the time the Declarant has sold all of the Units in the development, the Board shall consist of six (6) directors (the "Appointed Directors"). As soon following the appointment of the Appointed Directors as the Declarant in its sole discretion determines it is feasible to do so, but still prior to the time all Units in the development are sold, the Declarant shall arrange for the election of an additional three (3) directors, as follows: one (1) director shall be elected by the vote only of Members who are Owners of Single-Family Units, one (1) director by the vote only of Members who are Owners of Multi-Family or Waterfront Units, and one (1) director by the vote of all Members (said elected directors collectively, the "Elected Directors"). The term of the Appointed Directors shall expire as of the day of the first annual meeting following the sale of all of the Units in the Development. At said annual meeting, the six Appointed Directors shall be replaced by two (2) Elected Directors elected by the vote only of Members who are Owners of Single-Family Units, two (2) Elected Directors elected by the vote only of Members who are Owners of Multi-Family or Waterfront Units, and two (2) Elected Directors elected by the vote of all Members. Thereafter, the Board shall consist of three (3) Elected Directors elected by the vote only of Members who are Owners of Single-Family Units, three (3) Elected Directors elected by the vote only of Members who are Owners of Multi-Family or Waterfront Units, and three (3) Elected Directors elected by the vote of all Members.

Section Two. Term of Office. Except as specified in Section One hereof with respect to the Appointed Directors, the term of office for director positions shall be three years. Except as specified in Section One hereof with respect to the replacement of Appointed Directors, at each annual meeting the Members shall elect directors to fill

three positions for a term of three years each and any other unexpired positions that have been vacated during the year.

Section Three. Removal and Vacancies. Any Appointed Director may be removed from the Board, with or without cause, by the Declarant. Any Elected Director may be removed from the Board, with or without cause, by a majority vote of all the Members of the Association. In the event of death, resignation or removal of an Appointed Director, his successor shall be appointed by the Declarant. In the event of death, resignation or removal of an Elected Director, his successor shall be selected by the remaining Elected Directors and shall serve until the next annual meeting.

Section Four Compensation. No director shall receive compensation for any service he may render to the Association as a director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section Five. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of two thirds (2/3) of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI

MEETINGS OF DIRECTORS

Section One: Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly at such place and hour as may be fixed from time to time by resolution of the board. Notice of the meetings shall be sent to Members or posted on each mail box grouping.

Section Three: Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any three (3) directors after no less than three (3) days' notice to each director. Attendance of a director at any special meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

Section Three: Quorum: Prior to the time the Appointed Directors have been replaced as specified in Section One of Article V hereof, a quorum for the transaction of business shall constitute five directors, a majority of whom are Appointed Directors. Following replacement of the Appointed Directors, a majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the board.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section One: Nomination: Nomination for election to the Board of Directors shall be solicited by a nominating committee. The nominating committee shall consist of a chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The nominating committee shall be appointed by the Board of Directors and such appointment shall be announced to the Members to allow all Members the opportunity to offer nominees for the Board. The nominating committee shall obtain as many nominations for election to the Board of Directors as it shall in its discretion determine appropriate but not less than the number vacancies that are to be filled.

Section Two: Election: Election to the Board of Directors shall be by secret written ballot. The Ballot, along with a short statement by each nominee, shall be forwarded to the Members with the notice of the annual meeting. Ballots shall be counted during the meeting and election results shall be announced just prior to adjournment of the annual meeting. At such election the Members or their proxies may cast in respect to each vacancy, one (1) vote. The persons receiving the largest number of votes shall be elected. The individuals receiving the most votes will fill the three year terms. The individuals with the next largest number of votes will fill any unexpired two year or one year terms in that order. Cumulative voting is not permitted.

Section Three. Noting in this Article VII shall be construed to apply to Appointed Directors.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section One: Powers: The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Areas and facilities, the Limited Common Areas, the Exclusive Limited Common Areas, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;

(c) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(d) employ an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

(e) take any and all actions necessary to comply with the provisions and requirements of the Declaration, the Articles of Incorporation and these Bylaws, and all powers and rights as provided in the Declaration; and

(f) suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days for infraction of published rules and regulations.

Section Two: Duties: It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) cause the Common Areas and facilities, the Limited Common Areas, and the Exclusive Limited Common Areas to be maintained as provided in the Declaration;

(d) issue, or to cause an appropriate officer to issue, upon demand by any person or entity, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance for the Association, as it may deem appropriate;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) perform any and all duties necessary to comply with the provisions and requirements of the Declaration, the Articles of Incorporation and these Bylaws.

ARTICLE IX

COMMITTEES

The Board of Directors shall appoint a nominating committee, as provided in these Bylaws, and such other committees as are deemed appropriate in carrying out its purposes.

ARTICLE X

MEETINGS OF MEMBERS

Section One: Annual Meetings: A regular annual meeting of the Members shall be held in September of each year on the day specified by the Board, at the hour of 7:30

o'clock p.m., unless the time of such meeting shall be changed by resolution of the Board of Directors.

The annual budget prepared by the Treasurer shall be presented for approval at this meeting.

Section Two: Special Meetings: Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-third (1/3) of all of the votes of the entire membership.

Section Three: Notice of Meetings: Unless otherwise specifically provided in the declaration, written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting by mailing a copy of such notice, postage prepaid, not less than ten (10) nor more than fifty (50) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

The Notice shall include a proposed agenda for the meeting. The board may subsequently revise the agenda, including but not limited to the addition of any item requested by a petition of ten or more homeowners that is received seven days prior to the annual meeting.

Section Four: Quorum: Unless otherwise specifically provided in the Declaration, the presence at a meeting of Members or proxies entitled to vote or cast twenty (20%) per cent of the votes of the membership shall constitute a quorum for the purpose of adopting any matter voted upon by the members unless a greater proportion is required by the Declaration, the Articles of Incorporation or these Bylaws.

If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth above and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. Subsequent meetings as provided in this paragraph may be held until a quorum is present.

A majority of the votes entitled to be cast by members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption of any matter noted upon by Members unless a greater proportion is required by the Declaration, the Articles of Incorporation or these Bylaws.

Section Five: Proxies: At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Unit.

Section Six: Action Taken Without Meeting: Any action required to be taken at a meeting of the Members or any action which may be taken at a meeting of the Members

may be taken without a meeting if a consent in writing setting forth action so taken shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

ARTICLE XI

OFFICERS AND THEIR DUTIES

Section One: Enumeration of Offices: The officers of this Association shall be a president and vice-president, who shall at all times be Directors, a secretary and a treasurer and such other officers as the board may from time to time by resolution create.

Section Two: Election of Officers: The officers of this Association shall be elected annually by the Board promptly following the Annual Meeting at which elections were held.

Section Three: Term: Each officer shall hold office for one year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve. An officer may be re-elected to serve more than one term.

Section Four: Special Appointments: The board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the board may, from time to time, determine.

Section Five: Resignation and Removal: Any officer may be removed from office with or without cause by the board. Any officer may resign at any time by giving written notice to the board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section Six: Vacancies: A vacancy in any office shall be filled by the directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section Seven: Multiple Offices: No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section Four of this Article.

Section Eight: Duties: The duties of the officers are as follows

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the board and of the Members; keep appropriate, current records showing the Members of the Association, together with their addresses, and shall perform such other duties as required by the board.

Treasurer

(d) The treasurer shall be responsible for the receipt and deposit in appropriate bank accounts all monies of the Association and the disbursement of such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association along with the president; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE XII

ASSESSMENTS

Assessments shall be fixed, levied and collected as provided in the Declaration.

ARTICLE XIII

MAILING ADDRESS

Section One: Registration of Mailing Address: The owners of each Unit shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications; and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a Unit owner or owners shall be

furnished by such owners to the Secretary within five (5) days after transfer of title; such registration shall be in written form and signed by all of the owners of the Unit or by such persons as are authorized by law to represent the interests of the owners thereof. If no such address is registered or if all of the owners cannot agree, then the address of the Unit shall be the registered address until another registered address is furnished as permitted under this section. Registered addresses may be changed from time to time by similar designation.

Section Two: Completed Requirement: The requirements contained in this Article shall be first met before an owner of a Unit shall be deemed in good standing and entitled to vote at any annual or special meeting of members.

ARTICLE XIV

BOOKS AND RECORDS

The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Members, Board of Directors and committees having any of the authority of the Board of Directors. The Association shall keep at its registered office or principal office in this state a record of the names and addresses of its Members entitled to vote. All books and records of the Association may be inspected by any Member, his agent, his attorney, or his mortgagee, for any proper purpose at any reasonable time.

ARTICLE XV

AMENDMENTS AND CONFLICTS

Section One: Meeting and Majority Required: These Bylaws may be amended at a regular or special meeting of the Members, by a two-thirds (66 2/3%) vote of the Members present in person or by proxy where a quorum of the Members is present. Notice of intent to amend the Bylaws shall be included in the written announcement of a regular or special meeting of the Members. Proposed revisions shall be available in writing at least one week prior to the meeting at which they are acted upon.

Section Two: Conflicts: In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and, in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XVI

WAIVER OF NOTICE

Whenever any notice is required to be given to any Member or director of the Association under the provisions of these Bylaws, a waiver thereof, in writing, signed by

the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

ARTICLE XVII

OBLIGATIONS OF OWNERS

Section One: In General: Each Member shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which the development was built, and each Member shall comply strictly with all provisions of the Declaration.

Section Two: Use of Common Areas, Limited Common Areas, and Exclusive Limited Common Areas. Each Member shall use the Common Areas, Limited Common Areas, and Exclusive Limited Common Areas in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Members, and in accordance with the Rules, if any, promulgated by the Board or Association for the use of said Areas.

Section Three. Each Member who owns a Waterfront Unit shall ensure that no parking of vehicles or boat trailers occurs at or near his assigned boat slip except of vehicles or trailers owned by the Member or his guests while same are engaged in the use of the Member's boat., but in any event for not more than 24 hours during a single excursion.

Section Four. Each Member that is not a natural person shall ensure that its Unit or Units, and all Common Areas, are not used in any 24-hour period by a number of natural persons greater than twice the number of bedrooms contained within the Member's Unit or Units.

ARTICLE XVIII

INDEMNIFICATION OF OFFICERS AND MANAGERS

The Association shall indemnify every Board member or officer, and. his or her heirs, executors and administrators for any and all liability and costs arising out of good faith actions taken in their capacity as a board member or officer. However, nothing shall obligate the Association to so indemnify any Member who is or has been a Board member or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration as a Member covered thereby.

ARTICLE XIX

DATE OF ADOPTION

These By-Laws were duly adopted by the Association on the ____ day of _____, 2006.

_____,
PRESIDENT

ATTEST:

SECRETARY